

REMARKS OF

THE HONORABLE
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BEFORE
THE JAMA

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Henry,

Attached are talking points about the major Administration proposals on health.

As you are interviewed, you should try also to ~~bring~~ out the following, more general points:

--the Reagan proposals represent a major re-definition of the Federal role and responsibility in health care;

--if the present programs are completely abolished, they (or similar programs) will be very difficult to re-build;

--much of the Stockman budget work in health is nothing more than shifting of costs to the States and is not cost reduction;

--the cost of these proposals is much greater than they appear at first glance; indeed, if the cost of eliminating preventive and primary care is calculated, the costs are enormous;

--contrary to the rhetoric about safety nets, all these cuts are aimed directly at the poor;

--uncertainty of function and funding is causing great damage to the personnel system of health programs, and many of our best professionals are leaving for other jobs; this work force will also be difficult to re-build (especially such groups as the National Health Service Corps and the Public Health Service Corps);

--many, if not most, of these proposals have been poorly thought out and analyzed and will result in new State bureaucratic costs, duplication of efforts (50 new State programs instead of one successful Federal one), and an inability to control interstate problems and epidemics.

Tim

TALKING POINTS

I. Administration proposals include:

- A. lumping 10 unrelated programs into a preventive block (e.g., venereal disease control, hypertension, and family planning)
- B. lumping 15 unrelated programs into a service block (e.g., migrant health centers, maternal and child health, and mental health)
- C. cap on Federal participation in Medicaid
- D. elimination of 200 year old Public Health Service hospital system and possible abolition of Public Health Service Commissioned Corps
- E. cutback of 60% in health professions education programs and of 85% in nurse training programs
- F. elimination of health planning and peer review programs.

II. Reagan and Categorical Programs

- A. Childhood Immunization Program is to be cut by 25%, which means 400,000 fewer children will be immunized against such diseases as polio, tetanus, whooping cough, etc.

B. Block Grants

- 1) the CDC Venereal Disease Control Program is to be replaced by 50 new state programs, without guidelines, expert personnel or control of interstate epidemics. 9.3 million persons were directly served last year
- 2) the Family Planning Program has been especially mentioned as an object of Administration attack and the only alternative suggested has been a bill to encourage abstinence and chastity
- 3) the Subcommittee on Health and the Environment has received medical testimony that the Maternal and Child Health program has reduced infant mortality in some areas by more than a third. We have also received testimony that the loss of this program will mean a return to higher infant death rates.
- 4) Community and Migrant Health Centers serve persons who would not otherwise be served. Under a block grant many of these persons -- especially migrants -- would receive no other health care and would be ineligible for other aid, even Medicaid.

5) The Administration would repeal the Mental Health Systems Act, which was passed only last year. This is particularly ironic since the Act has a large new emphasis on State roles in mental health. This is special cause for concern because the States have traditionally funded large state hospitals and not outpatient centers and have ignored the needs of the chronically mentally ill.

C. The block grant legislation contains no accountability, guidelines for use, or reporting mechanism. No one will be able to tell how the money is spent, and group and Congressional support can be expected to wither away.

III. Medicaid

- A. The Administration proposes that costs be reduced by limiting expenditures on care for the poor.
- B. But neither the Federal government nor the States have found a way to cap the aging process or to contain hospital costs. As the Federal money shrinks and the aged population grows, hospitals

and nursing homes will demand all the funds available. No money will be left for home health, preventive care for children, or outpatient clinics.

IV. Public Health Service

- A. The Administration is proposing to eliminate the merchant seaman entitlement and to close the Public Health Service Hospital and Clinic System by the end of FY 1981. The PHS currently operates 8 hospitals and 27 clinics. Despite our requests for information, the Administration has not provided any analysis of the impact of these closures on the communities in which these facilities are located, on the people they serve, or on their employees. Although the Administration has stated that it is willing to talk to communities about transfer of ownership, its proposed timetable is completely unrealistic.
- B. The Office of Management and Budget is also proposing that the Commissioned Corps of the Public Health Service be abolished, leaving the nation without a standing service for emergency medical problems for the first time in 192 years. Without such a service

we will be unable to responde to next year's Love Canal or a future Mount Saint Helens. And we will also lack a cadre of experts who can administer and defend public health programs for the nation and will have in their place others who know only bureaucratic procedure and officials who have qualifications in political ideology but not in public health or preventive medicine.

V. Manpower and Nursing

- A. The Administration proposes to cut 60% of the funds for Health Professions Education. This will mean the termination of long-standing Federal student assistance programs, the abrupt end of capitation support for medical schools, and sharp reductions in aid to family medicine training programs.
- B. The Administration plans to cut 85% of the funds for Nurse Training. Last year the Federal government provided loans or scholarships to more than 25,000 nursing students. Next year, the Administration proposes that we cancel all these awards and aid none.

VI. Health Planning and PSROs

- A. The Administration proposes a 2-year elimination of planning and peer review programs.
- B. This proposal, without other cost controls, is unreasonable at a time when the hospital inflation rate is 19.7%.

VII. Competition

The final Reagan health policy is a heavy dose of rhetoric about a competitive health care system. Beyond rhetoric, however, the Administration has provided no concrete details on how it plans to force doctors and hospitals to change their current mode of operation. And whatever the long-range benefits of increased competition, it clearly won't limit costs in 1982 or 1983. Experience from Boston, Cleveland and Denver indicates that years are necessary to establish successful health care plans. Even the strongest advocates admit that it will take competitive reforms 10 years to control health care costs. Yet the Reagan Administration asks us to believe that 12 billion in savings will accrue to Medicare over the next five years from this undefined proposal.